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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Chapter 11 Case No.
Debtors. : 08-13555 (JMP)
: (Jointly Administered)
:
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**REVISED STIPULATION
AND AGREED ORDER RESOLVING MOTION TO COMPEL**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtor in the above-referenced chapter 11 cases, Lehman Commercial Paper Inc. (“LCPI”), as debtors and debtors in possession (together, the “Debtors” and, collectively with their debtor and non-debtor affiliates, “Lehman”), and the Movants,¹ by and through their respective counsel, hereby enter into this Stipulation and Agreed Order (this “Stipulation”) and stipulate and agree, as follows:

¹ The term “Movants” shall mean those parties listed on Exhibit A hereto.

RECITALS

A. Commencing on September 15, 2008 and periodically thereafter (as applicable, the “Commencement Date”), LBHI and certain of its subsidiaries, including LCPI, commenced with this Court voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

B. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

C. Prior to the Commencement Date, the Debtors were active in the secondary loan market. In this capacity, the Debtors purchased and sold both par and distressed commercial loans.

D. The Debtors’ prepetition trades were reflected in various oral and written confirmations (the “Trade Confirmations”). Generally, each Trade Confirmation represented a binding agreement to purchase or to sell positions in par or distressed loans or participations in par or distressed loans or claims against third parties at an agreed upon price. Such transactions generally were consummated and settled over the next several weeks upon execution by both parties of formal transfer documentation and payment by the purchaser of the applicable purchase price.

E. As of the Commencement Date, the Debtors had entered into, but had not yet consummated and settled, hundreds of Trade Confirmations (the “Open Trade Confirmations”).

F. The Open Trade Confirmations are executory contracts subject to assumption or rejection under section 365 of the Bankruptcy Code. Pursuant to section

365(d)(2) of the Bankruptcy Code, the Debtors have until plan confirmation to assume or reject the Open Trade Confirmations unless the Court fixes an earlier date. 11 U.S.C. § 365(d)(2).

G. On October 17, 2008, the Movants filed a Motion for an Order Compelling Lehman Commercial Paper Inc. to Assume or Reject Executory Contracts Pursuant to Sections 105(d)(2)(A) and 365(d)(2) of the Bankruptcy Code [Docket No. 1117 in Case No. 08-13555] (the “Motion to Compel”), in which the Movants seek an order compelling LCPI to assume or reject certain Open Trade Confirmations prior to November 7, 2008.

H. LBHI was not a subject of the Movants’ Motion to Compel. However, several parties to Open Trade Confirmations with LBHI have requested that LBHI also make a prompt determination regarding the treatment of its Open Trade Confirmations.

I. Since the Commencement Date, the Debtors have worked diligently to determine which Open Trade Confirmations should be assumed, assumed and assigned, or rejected, as applicable.

J. Until November 4, 2008, the Debtors believed they would be able to notify counterparties to all the Open Trade Confirmations (each a “Counterparty” and, collectively, the “Counterparties”) of their intentions with respect to the Open Trade Confirmations on or before November 7, 2008. As a result, on October 31, 2008, the Debtors and the Movants entered into a Stipulation and Agreed Order Resolving Motion to Compel (the “Original Stipulation”), which has been filed with the Court.

K. On November 4, 2008, the Debtors determined that they may need additional time with respect to 49 of the Open Trade Confirmations. The Movants and the Debtors, have agreed to modify the terms of the Original Stipulation as reflected herein.

L. The Debtors and the Movants have agreed as follows:

AGREED ORDER

IT IS HEREBY AGREED AND, UPON COURT APPROVAL HEREOF, IT
SHALL BE ORDERED THAT:

1. After consultation with professionals retained by the Official Committee of Unsecured Creditors (the "Committee") and, in any event, on or before the close of business at 5:00 p.m. (Prevailing Eastern Time) on November 7, 2008 (the "Notification Deadline"), the Debtors shall notify each Counterparty of the applicable Debtor's designation of each Open Trade Confirmation entered into with such Counterparty as either (1) an Open Trade Confirmation the Debtor seeks to assume (an "Assumed Trade Confirmation"), (2) an Open Trade Confirmation the Debtor seeks to assume and assign (an "Assumed and Assigned Trade Confirmation"), or (3) an Open Trade Confirmation the Debtor seeks to reject (a "Rejected Trade Confirmation"); *provided, however*, that as to the Open Trade Confirmations listed on Exhibit B annexed hereto, the Debtors shall provide notice to the applicable Counterparties on or before the close of business at 5:00 p.m. (Prevailing Eastern Time) on December 5, 2008 (the "Second Notification Deadline").

2. No Open Trade Confirmations shall be assumed or rejected without an order of the Court approving same after notice as required by section 365 of the Bankruptcy Code and the Bankruptcy Rules. The Debtors shall file a motion to assume, assume and assign, or reject the Open Trade Confirmations on or before November 16, 2008 and request that the such motion be heard at the Omnibus Hearing currently scheduled for December 3, 2008. The Debtors shall file a motion to assume, assume and assign, or reject the Open Trade Confirmations subject to the Second Notification Deadline on or before December 15, 2008 and request that the such motion be heard at the first Omnibus Hearing scheduled in January, 2009.

The Committee reserves the right to object to the assumption, assumption and assignment, or rejection of any Open Trade Confirmation on any ground, including the proposed timing of such assumption, assumption and assignment or rejection of same.

3. The Debtors shall attempt to close the Open Trade Confirmations that they decide to assume as soon as practicable after November 7, 2008. In the event that any Counterparty believes in good faith that the applicable Debtor is not acting in a commercially reasonable manner in closing any Assumed Trade Confirmation or any Assumed and Assigned Trade Confirmation, such Counterparty shall have the right to request an order of the Court compelling the Debtor to close the trade within a commercially reasonable time period and the Debtor and/or the Committee shall have the right to object thereto.

4. The Debtors reserve the right to move this Court to extend the Notification Deadline or the Second Notification Deadline for good cause shown.

5. Upon Court approval of this Stipulation, the Movants shall withdraw, without prejudice, the Motion to Compel.

6. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim of or against any party, as a waiver of the rights of any party to dispute any claim, or as an approval or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code.

7. Nothing contained herein is intended to or should be construed to restrict, prohibit or impair the rights of any Counterparty to assert that any Open Trade Confirmation has been terminated prior to the Commencement Date and, therefore, may not be assumed or rejected by the applicable Debtor pursuant to section 365 of the Bankruptcy Code, and all such rights are

expressly reserved; *provided, however*, that the Debtors reserve the right to contest any such claim.

8. Nothing contained here is intended to or should be construed to restrict, prohibit or impair the rights of any Counterparty to assert a right of setoff or recoupment in accordance with section 553 or otherwise and all such rights are expressly reserved; *provided, however*, that that Debtors reserve the right to object to any setoff or recoupment.

9. The Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

10. Each person who executes this Stipulation on behalf of a party hereto represents that he is duly authorized to execute this Stipulation on behalf of such party.

11. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12. If this Stipulation is not approved by the Bankruptcy Court, it shall be deemed null and void and shall not be referred to or used for any purpose by any of the parties

hereto or any of the other parties in the Debtors' chapter 11 cases.

Dated: November 5, 2008

RICHARDS KIBBE & ORBE LLP

/s/ Michael Friedman

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Dated: New York, New York
November 5, 2008

s/ James M. Peck

UNITED STATES BANKRUPTCY JUDGE

Exhibit A

DK Acquisition Partners, L.P.
Farallon Choctaw ENE, LLC
Farallon Capital Partners, LP
Farallon Capital Institutional Partners, LP
Farallon Capital Institutional Partners II, LP
Farallon Capital Institutional Partners III, LP
Farallon Capital Offshore Investors, Inc.
Farallon Capital Offshore Investors II, Inc.
Goldman Sachs Credit Partners L.P.
Greywolf Capital Partners II LP
Greywolf Capital Overseas Fund
Halcyon Structured Asset Management European CLO 2007-I B.V.
Longacre Capital Partner (QP), L.P.
Longacre Master Fund, Ltd.
Morgan Stanley Bank International Limited
Morgan Stanley Senior Funding, Inc.
Rowayton Loan Funding Company
Royal Bank of Scotland, plc

**Lehman Brothers
Summary**

	Open Trades
Verano	25
Fusion	14
Bankhaus	4
Pine	6
Total	49

Lehman Brothers
Verano
US Open Trades

DealName	B/S	TradeDate	Type	CustomerName	CurrCode
CAPMARK FINANCIAL (5-YR Japanese Term)	S	9/10/2008	Distressed	GOLDENTREE ASSET MANAGEMENT	USD
CAPMARK FINANCIAL (5-YR Japanese Term)	S	9/10/2008	Distressed	Verano	USD
GREEN VALLEY RANCH GAMING LLC	S	9/15/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
GREEN VALLEY RANCH GAMING LLC	B	9/17/2008	PAR	VERANO CCS, LTD	USD
GREEN VALLEY RANCH GAMING LLC	S	9/17/2008	PAR	VERANO CCS, LTD	USD
KERASOTES (3RD A&R 10/29/04)	S	9/15/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
KERASOTES (3RD A&R 10/29/04)	B	9/16/2008	PAR	VERANO CCS, LTD	USD
KERASOTES (3RD A&R 10/29/04)	S	9/16/2008	PAR	VERANO CCS, LTD	USD
SPANISH BROADCASTING - FIRST LIEN	B	9/10/2008	PAR	4086 ADVISORS	USD
SPANISH BROADCASTING - FIRST LIEN	B	9/11/2008	PAR	PUTNAM INVESTMENTS	USD
SPANISH BROADCASTING - FIRST LIEN	B	9/11/2008	PAR	PUTNAM INVESTMENTS	USD
SPANISH BROADCASTING - FIRST LIEN	B	9/10/2008	PAR	RIDGEWORTH FUNDS-SEIX FRHIF	USD
SPANISH BROADCASTING - FIRST LIEN	S	9/10/2008	PAR	GOLDENTREE 2004 TRUST	USD
SPANISH BROADCASTING - FIRST LIEN	S	9/10/2008	PAR	GOLDENTREE ASSET MANAGEMENT	USD
SPANISH BROADCASTING - FIRST LIEN	S	9/10/2008	PAR	GOLDENTREE MULTISTRAT SUBSID	USD
SPANISH BROADCASTING - FIRST LIEN	S	9/11/2008	PAR	GOLDENTREE MULTI STRAT FIN LTD	USD
SPANISH BROADCASTING - FIRST LIEN	B	9/11/2008	PAR	GOLDENTREE ASSET MANAGEMENT	USD
SPANISH BROADCASTING - FIRST LIEN	S	9/11/2008	PAR	VERANO CCS, LTD	USD
TOYS R US TERM (12/9/05)	S	9/16/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
TOYS R US TERM (12/9/05)	S	9/15/2008	PAR	VERANO CCS, LTD	USD
TOYS R US TERM (12/9/05)	B	9/15/2008	PAR	VERANO CCS, LTD	USD
WINTERGAMES (INTRAWEST) 10-06 (Tranche	S	9/15/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
WINTERGAMES (INTRAWEST) 10-06 (Tranche	B	9/16/2008	PAR	VERANO CCS, LTD	USD
WINTERGAMES (INTRAWEST) 10-06 (Tranche	S	9/16/2008	PAR	VERANO CCS, LTD	USD

Lehman Brothers
Fusion
US Open Trades

DealName	B/S	TradeDate	Type	CustomerName	CurrCode
ARINC 1ST LIEN(10/25/07)	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
ARINC 1ST LIEN(10/25/07)	B	8/6/2008	PAR	LCPI	USD
ARINC 1ST LIEN(10/25/07)	S	8/6/2008	PAR	LBCB	USD
ARVINMERITOR, INC. (6/23/06)	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
BERRY PLASTICS A&R ABL-BOA(4-3-07)	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
LYONDELLBASELL INDUSTRIES, CITI-12/20/07	B	7/18/2008	PAR	ORE HILL PARTNERS LLC	USD
LYONDELLBASELL INDUSTRIES, CITI-12/20/07	B	7/18/2008	PAR	TCW ASSET MGMT CO (CA)	USD
LYONDELLBASELL INDUSTRIES, CITI-12/20/07	S	8/26/2008	PAR	HARTFORD INVESTMENT MGMT(MAST)	USD
LYONDELLBASELL INDUSTRIES, CITI-12/20/07	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
METAVANTE CORP. (PROJECT MONTANA) \$2BN 1	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
RENT-A-CENTER, INC. 2ND A&R 7-13-06	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
TXU ENERGY (10/10/07) CITI (B-1)	S	8/7/2008	PAR	FUSION FUNDING LIMITED	USD
TXU ENERGY (10/10/07) CITI (B-1)	B	8/6/2008	PAR	LBCB	USD
TXU ENERGY (10/10/07) CITI (B-1)	S	8/6/2008	PAR	LCPI	USD

**Lehman Brothers
Bankhaus
US Open Trades**

DealName	B/S	TradeDate	Type	CustomerName	CurrCode
CAPMARK FINANCIAL (5-YR Japanese Term)	S	9/3/2008	Distressed	GOLDENTREE ASSET MANAGEMENT	USD
CAPMARK FINANCIAL (5-YR Japanese Term)	S	9/3/2008	Distressed	KNIGHTHEAD CAPITAL MGMT (MST)	USD
CAPMARK FINANCIAL (5-YR Japanese Term)	S	9/10/2008	Distressed	KNIGHTHEAD CAPITAL MGMT (MST)	USD
GIVAUDAN SA CHF 1.9 BN RC 3-23-07	S	9/4/2008	PAR	DRESDNER BANK AG LONDON BRANCH	CHF

Lehman Brothers
Pine

DealName	B/S	TradeDate	Type	CustomerName	CurrCode
COLONIAL REALTY LTD PARTNERSHIP 3/22/05	S	9/15/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
COLONIAL REALTY LTD PARTNERSHIP 3/22/05	B	9/16/2008	PAR	PINE CCS, LTD.	USD
COLONIAL REALTY LTD PARTNERSHIP 3/22/05	S	9/16/2008	PAR	PINE CCS, LTD.	USD
STARWOOD HOTELS & RESORTS WORLDWIDE, INC	S	9/15/2008	PAR	H/2 CAPITAL PARTNERS (MASTER)	USD
STARWOOD HOTELS & RESORTS WORLDWIDE, INC	B	9/16/2008	PAR	PINE CCS, LTD.	USD
STARWOOD HOTELS & RESORTS WORLDWIDE, INC	S	9/16/2008	PAR	PINE CCS, LTD.	USD